

SECRET

LN 162

16 December 1957

SAPC *22706*
COPY 1 OF 3

Subject: Contract BC-450

Reference: (a) Letter #20696 dated 31 October 1957, KDN to JSL
(b) Conference 10 Dec. 1957, Pasadena, Calif., DK, TLB

Dear Sir:

In accordance with Section 4 (c) of the General Provisions of the subject contract we hereby notify you that the amount of \$115,000 available for repairs performed for Customer No. 1 for the period 1 July 1957 through 31 January 1958 will be exceeded within the next forty-five (45) days. Sales for the period 1 July 1957 through 31 October 1957 for Customer No. 1 total \$113,948.95. It is anticipated that sales for the balance of this seven (7) month period will exceed the contract balance of \$1,051.05 for Customer No. 1.

Sales for the period 1 July 1957 through 31 October 1957 for Customer No. 2 total \$43,137.73. It is anticipated that sales for the balance of this seven (7) month period will not exceed the contract balance of \$71,862.27 for Customer No. 2.

It is, therefore, recommended that the present estimated amount of the subject contract for the period 1 July 1957 through 31 January 1958 be increased from the present \$115,000 to a new estimated total of ~~\$215,000~~ for Customer No. 1. The new total estimated amount for the contract for this period will then be increased from the present \$230,000 to a new total of \$330,000.

In accordance with reference (a) we further propose that Enclosure (2) dated 22 August 1957 submitted with our letter of 11 September 1957 be established as the provisional billing rates for the period 1 July 1957 through 31 January 1958 and be incorporated into the subject contract by an amendment. It is further proposed that these provisional billing rates be used beginning with November 1957 billings. Rather than making a downward adjustment in sales billings submitted to date on the subject contract it is recommended and requested that any adjustments in the billings submitted to date will be made subsequent to the final price determination of this contract for the respective periods 1 February 1957 through 30 June 1957 and 1 July 1957 through 31 January 1958.

We trust that this proposal meets with your favorable consideration.

Very truly yours,

HYCON MFG. COMPANY


 Manager,

Engineering Products Division

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 NO CHANGE IN CLASS. ☒
☐ DECLASSIFIED
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 AUTH: HQ 10-2
 DATE: *22/6/81* REVIEWER: *064540*

TLB/pe

cc: H.L., J. McD.

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